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ABSTRACT

This report is presented in terms of issues and recommendations concerning the Federal role in school finance. Two major points of agreement emerged from the forums: (1) School officials, representatives of organizations, citizens, and parents agree that, if the urban schools in America are to survive, the Federal Government must take a strong active role; (2) the participants conclude that, as concerns the urban schools, the problem of school finance cannot be separated from the problem of school effectiveness. The report discusses (1) the rising costs of urban education and the need for more money, (2) the special educational needs of urban schools, (3) categorical versus noncategorical funding, (4) local community development and control, (5) educational effectiveness and student achievement, (6) intergovernment relations, and (7) the need for altering and expanding present federally funded educational programs. (JF)

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REPORT ON THE FORUMS CONCERNING THE FEDERAL ROLE IN SCHOOL FINANCE

This report is a summary of the three public forums held in Chicago, Philadelphia, and Atlanta, and is presented in terms of issues and recommendations. It should be clearly understood that the issues and recommendations presented here are those of the forum participants and do not necessarily reflect the views of the Office of Education representatives who served on the panels nor those of the Office of Education.

by: Joseph C. Kennedy
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Public forums on the Federal Role in School Finance were held in Chicago April 6 and 7, Philadelphia May 4 and 5, and Atlanta May 31 and June 1, 1972. In announcing these forums in a March 14, 1972 HEW/Office of Education News Release, Commissioner Marland said, "This Administration is deeply concerned about the national crisis in school finance and especially about the grave situation in large urban areas." These forums were designed to provide the people -- superintendents of schools, school board presidents, representatives of professional and non-professional organizations, community organizations, and people at the grassroots level -- an opportunity to express their views and opinions as to what the role of the Federal Government should be in responding to this crisis. Participants were to formulate their presentations around the areas: the role of the Federal Government in responding to the financial problems of elementary and secondary schools, possible new Federal initiatives, the quality of federally supported programs including the extent to which they are reaching the target population, and suggestions for improving the effectiveness and efficiency of these Federal programs.

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A total of 150 persons participated in these three forums. Participants included 11 superintendents or assistant superintendents, 6 school board officials, 8 college presidents or college representatives, 10 State or local elected officials including education finance committee chairmen, over 40 representatives of community organizations, more than 30 educational organization representatives, and dozens of private concerned citizesn.

Written and oral statements were presented to a panel made up of Office of Education Washington and Regional staff.* A total of 38 hours of testimony was taken. These forums were given extensive media coverage on local television, radio, and newspaper.

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These three urban school systems have many or all of the problems which face urban school systems around the country -- so much so they can serve as big city school prototypes.

Each of these school systems has experienced sharp increases in the cost of education. Chicago's operating budget has gone from $294 million for 1962 to $742 million in 1972. Operating budgets in Philadelphia and Atlanta have also nearly tripled, and per-pupil expenditures have tripled during this same time in all three cities. School enrollments on the other hand have virtually leveled off. Property tax rates have doubled in the past 10 years and each school

*See Attachment 2 for listing of Panel members and participants.

system is having a difficult time raising sufficient revenues locally and securing adequate revenues from the State and the Federal Government.

Nevertheless, there are differences among these 3 school systems. The most fundamental difference is that Chicago and Philadelphia are already caught in the financial bind. They face huge operating deficits. Chicago is running a $100 million deficit and Philadelphia a $65 million deficit, about 15 percent of their total operating budgets. Atlanta on the other hand, while admitting to growing financial problems, does not face a financial crisis. Last year as a matter of fact the Atlanta public schools had a $5 million surplus.

Although the Atlanta public school system is fiscally independent while the Chicago and Philadelphia systems are fiscally dependent, fiscal dependency or independency does not appear to be the decisive factor in the differing degrees of financial problems among these 3 cities. (In fact many fiscally independent school systems are facing a financial crisis.) The most important factor seems to be what has happened with property values. While property tax rates have nearly doubled in all three cities in the past 10 years, only in Atlanta has the equalized assessed valuation per pupil increased significantly -- going from $10,690 to $16,049 per child in 9 years (Chicago experienced a 5 percent decrease during this same time.)

Another factor contributing to this school finance picture is student enrollment. Nationally, public school enrollment has increased 26 percent over the past 10 years. In Chicago and Philadelphia there has been only a 10 percent increase but in Atlanta student enrollment has actually dropped from 107,000 in 1962 to 97,000 in 1972.

These three school systems differ in still other ways. The State level of funding to the public schools has increased in Chicago and Philadelphia while the local burden has been reduced. In Atlanta, just the opposite has happened. State funding to the Atlanta public schools has actually declined by 10 percent and the local share has increased by this same percentage. (Atlanta, unlike many cities is wealthier than most areas in the State.) The Georgia State aid formula is based on wealth and local effort. Atlanta also has the highest per-pupil expenditure in the State. Consequently, Atlanta receives only 19 percent of its school funds from the State although the State average is 59 percent. (Chicago and Philadelphia receive 33 percent and 45 percent respectively from the State.)

Another distinct difference between the Atlanta schools on one hand and Chicago and Philadelphia schools on the other is the public school-non-public school issue. Only about 2 percent of Atlanta's school-aged children attend non-public schools. In Philadelphia over 30 percent of the students attend Catholic and other non-public schools, and nearly 27 percent do likewise in Chicago. While these two latter cities are caught up with the dual and interacting issues of financing the public and non-public schools, this simply is not an issue in Atlanta.

In the area of educational effectiveness these 3 city school systems face virtually identical problems. Drop-out rates are high and continue to increase, as does the rate of absenteeism. Larger and larger segments of students are failing or are not learning to read. Perhaps the major differences among these cities in the area of school effectiveness is the degree of expressed concern on the part of the parents and citizens in the community. People in Chicago are virtually up in arms. Despairingly, they feel the educational system is not working. In Philadelphia, although the same criticisms of school failures are expressed, there is not the same intensity of feeling. In Atlanta on the other hand, perhaps because there is not an actual financial crisis, there seems to be a more gentle approach to the question of educational effectiveness.

Another area in which these 3 systems face nearly identical problems is in the area of student racial isolation. These 3 school systems are rapidly becoming racially segregated school systems comprised principally of Blacks and Chicanos and other Spanish-speaking students. In Chicago the school system is 65 percent American-Black and Spanish-speaking. In Philadelphia it is 64 percent, while in Atlanta it is 73 percent Black. White middle-class movement to the suburbs is pronounced. In a recent study the Atlanta public school system was deemed to have one of the higher levels of white student flight of any city in the United States. Consequently, the Atlanta

schools have moved from a dual all-white/all-black school system of the late 1950s, to an integrated system in the 1960s, and now back to a nearly all-black system in 1972. All school systems are faced with resegregation, increased black/white racial isolation and an impending racial crisis.

The similarity of the problems faced by the Chicago, Philadelphia and Atlanta school systems far over-shadow the differences however. Each is caught in or facing financial problems. Each is seeking financial relief. Each is being questioned by community and parent groups about whether the school system is working. Each school system is increasingly comprised of ethnic minority students. Because of similarities in these areas of school finance, school effectiveness, and enrollment composition, the issues and recommendations of the participants in these 3 forums are highly similar.

MAJOR ISSUES

Two major points immediately emerge, and in a sense all of the other issues and recommendations flow from these 2 basic points.

First, school officials, representatives of organizations, citizens, and parents agree if the urban schools in America are to survive the Federal Government must take a strong active role. The Federal Government must take a strong fiscal role increasing dramatically the

Federal level of funding to the urban schools. Neither local nor State government can meet the financial needs. The Federal Government must take a strong leadership role. The Federal Government must set the direction in which the Nation must go to fulfill the promise of equal educational opportunity for all America's children. Once having set this direction the Federal Government must take a strong supervisory role to ensure that this direction is followed. Urban dwellers -- black, brown, white, the poor -- have little faith that State governments will be responsive to the needs of the big city school systems. They say States which historically have denied Black-Americans and other minorities equal educational opportunity, and which historically have failed to distribute funds equally or equitably to school districts and to pupils, will not now reverse themselves and meet the educational needs and subsequent higher costs of big city school children. The people have a much greater faith in the Federal Government to ensure equality of educational opportunity than they do in the States.

The views of the vast majority of school officials coincide with those of the people. Big city school officials have little faith that the State, that is, the State Legislature which they perceive as rural and suburban oriented, will be sensitive to and reponsive to the special educational needs of the big city schools. The people -- private citizens and school officials alike -- thus

agree that the Federal Government must take a strong role in order to ensure equal educational opportunity for all children in America.

The second major point to emerge is that when dealing with urban schools the problem of school finance cannot be separated from the problem of school effectiveness. Any time huge numbers of students fail to learn or drop out or finish school but have no skills which will enable them to be employed, questions must be asked about that system. When these school systems which are multi-million dollar enterprises are running huge deficits, are not meeting the needs of their students and still need more money, the question is raised -- More money to do what? For the people, the question is not whether there is municipal over-burden; not whether land costs are higher in the city; not whether building maintenance is more expensive; but whether there is enough money to meet the educational needs of their children; whether their children are learning to read, to write, are developing a sense of their own worth and value, are learning to live in harmony with their society, are learning to relate to their fellow-man. While school officials do speak more specifically about municipal over-burden, the inadequacies of the local property tax, the inability of the local and State agencies to raise sufficient revenues, they too speak of educational need and not having enough money to run the kinds of programs necessary to reach the urban child.

Any effort to remedy the financial problems facing urban schools which does not also relate to school effectiveness and performance would be remiss, a majority of forum participants believe.

From these 2 major points all the other issues flow. These issues are as follows:

1. The rising costs of urban education and the need for more money.
2. Special educational needs of urban schools.
3. Categorical versus non-categorical funding.
4. Local community involvement and control.
5. Educational effectiveness and student achievement.
6. Inter-government relations--local, State, Federal.
7. The need for altering and expanding present federally funded educational programs.

Discussion of the major issues

Issue 1 -- The rising costs of urban education and the need for more money.

The overwhelming majority of school officials, community representatives, parents and other grassroots persons agree that more money is needed to maintain the big city schools and that additional funds must come from the Federal Government.

While public schools across the Nation are plagued by rapidly increasing school costs and the inability of the local property tax--the chief or sole local source of school funding--to generate sufficient revenues to meet these rising costs, schools

in the big cities of America are already caught in a severe ever-tightening financial crisis. There are hold-the-line budgets, there are deficits, programs have been cut, teachers and other personnel laid off, school year shortened, and a subsequent short-changing of the students.

In many big city school systems such as Philadelphia and Chicago school budgets have tripled over the past 10 years and local property tax rates have doubled. While these increases in the big cities are about the same as what has happened nationally, the significant factor is what has happened with school enrollments. While nationally school enrollments have increased 26 percent over the past 10 years and 9 percent in the past 5 years, in the big cities school enrollments have come to a standstill and in 14 of the 25 major cities have actually declined. Thus, the cost of educating children in the city has increased 20 percent more than the cost of educating children in the Nation as a whole.

This drop in school enrollments in the big cities reflects one of the most serious problems facing the Nation's big city schools. As property taxes continue to rise, as traffic jams and congestion and

pollution increases, as social services are diminished including lowered school quality, there is an exodus of businesses and middle-class and white families to the suburbs. Not only does this flight shrink the property tax base, reduce the ability of the city to pay for education and heighten the financial crisis, it begins to result in central cities which become more and more the home of minority Americans and of the poor and of the unskilled. The big city schools are rapidly becoming devoid of white middle-class children and the isolation between black and white, middle-class and poor children continues to grow. A recent study, Big City Schools in America conducted for the President's Commission on School Finance, determined that of the 25 major big city schools, 16 have enrollments which are over 50 percent minority American -- Afro-Americans, Mexican-Americans, Puerto Rican, and Indian. The financial crisis facing the big city schools intertwines with and becomes inextricably bound to an impending racial crisis.

The participants in these forums, especially school officials and representatives of professional groups, agree the local property tax is no longer an adequate source for generating sufficient school funds. Even where other local taxes to generate school funds have been added, such as sales taxes and para-mutuel taxes, revenue at the local level still has not been sufficient. Even where the overall proportion of local funding has been reduced as the State and the Federal Government

increased their share, as is the case in Philadelphia and Chicago, even then the level of revenue has been inadequate to meet the costs of the schools. Financial relief to the big city schools is needed now. It is generally conceded that if this relief does not come the big city schools may not survive. And the survival or failure of the big city schools has great social, psychological, and political ramifications for the survival of the big cities. It is unreasonable to expect financial relief to come from the big cities. It must come from the States and the Federal Government, forum participants agreed.

The Federal Role

The participants in these forums on the Role of the Federal Government in School Finance agree that the Federal Government should move dramatically to increase its level of funding of public schools in general and the big city schools specifically. They say the Federal Government should become more of a partner in funding America's public schools. While the level of Federal funding in many large cities is already above the national 7 percent level, Federal funding should approach 25 to 30 percent of the total. This could be done either through equal partnership with the State and local governments, or in partnership with the States as they move toward full State funding. The Federal Government should encourage, through massive funding incentives, a shift away from heavy reliance on the local property tax as the chief source of local school revenue.

Issue II -- Special educational needs of urban schools.

One of the major problems in urban schools, according to school officials and parents, is the large concentration in the central cities of pupils with different educational needs; the concentration of the "disadvantaged." Coming out of low-income homes, from families which lack the middle-class orientation toward reading and "book" learning, having different life-styles and values, these pupils create new and puzzling educational challenges to the white middle-class oriented school system. The different educational needs of these "disadvantaged" pupils, their greater need for social services such as lunch and health programs, the higher maintenance costs of old school buildings and the higher teacher salaries result in greater costs for educating the child in the city. The big concern of the big city school administrators and parents is that even when higher levels of funding is obtained from the State and the Federal Government, the urban schools will not get their fair share because there is not sufficient awareness of the special educational needs of the big city schools and the subsequent higher costs of education. They say the distribution of funds should be based on a formula weighted for educational need. Some officials advocate that Federal funds flow directly to the local education agency, bypassing the State and municipal agencies.

The Federal Role

School officials and citizens say the Federal Government should take the initiative in ensuring that big city schools get their "fair

share" of any additional funds which flow from the Federal Government. Urban schools have special and unique needs. Equalizing per-pupil expenditures throughout the State would in most instances mean a lowering of per-pupil expenditures for the big city schools. Thus, the big city schools need "more than equal" or "equitable" distribution of funds. The majority of forum participants agreed (1) the Federal Government should ensure the distribution of funds based on a formula weighted for educational need; and (2) the Federal Government should also fund directly the urban schools or at least establish well-defined pass-through provisions.

Issue III -- Categorical versus non-categorical funding

Higher levels of Federal and State funding of the urban schools is needed to alleviate the financial crisis. However, participants agree the problem is not simply fiscal. The manner in which funds are distributed is the heart of the matter.

School officials, community representatives, parents, and grassroots citizens, strongly support the continuation of Federal categorical funding. They do not fear the intrusion of the Federal Government; they do not fear Federal control. Many big city officials have more faith in the Federal Government than they do in the State government when it comes to ensuring special and additional funding to meet the needs of the educationally disadvantaged, the poor, and the minorities. Big city school officials claim that State agencies have not been

responsive to the educational needs of the disadvantaged and the subsequent higher costs and if the States are given Federal general funds these funds will not be adequately distributed to the big cities. The only way to guarantee that funds flow to meet the special educational needs is through a continuation of Federal categorical funds. They also fear that general funds would immediately go for increases in teacher salaries. Parents and private citizens want Federal categorical funding because they trust neither the State nor the local educational agencies to appropriately allocate funds for programs for the poor and disadvantaged. Thus, school administrators and grassroots citizens are in accord in saying that only categorical funding will ensure the continuation and development of programs necessary to meet the needs of the disadvantaged. They say the Federal Government must be the guarantor of the rights of the students. These participants advocate an increase in both categorical and non-categorical funding.

The Federal Role

These participants say that Federal categorical and non-categorical funding are necessary and the funding of both should be increased. The Federal Government should provide general funding which will enable the maintenance and improvement of existing programs and enable educational innovation within schools and across the whole system and categorical funding which will ensure that the special needs of the handicapped, of the poor, and the disadvantaged will be met. The Federal Government should also take a very strong role in monitoring the use of these funds to ensure that specialized programs are

developed and that these funds go to the students with special needs.

Issue IV -- Local community involvement and control

With a move toward higher levels of State and Federal school funding or a move toward full State funding, there is great concern that local control of the schools not be destroyed. Local school districts must continue to have control of the destiny of their schools. For big city schools which spend millions of dollars each year, enroll thousands of students, employ thousands of teachers and other personnel, the fear that an increase in Federal funding will usurp local control is not an issue. It is important to note, however, that the people -- parents, private citizens and many school officials too -- make a distinction between local control and local community control. Thus, for urban schools the issue is local control versus local community control, and not local control versus State or Federal control.

The people say they have little voice in the running of the schools. In the spirit of the principle that decisions about the child should be made nearest the child these participants say there must be community involvement in planning and decision-making. They say in a highly centralized system the school administration canot be adequately responsive to the wishes of the parents and needs of the students. The school board, whether elected or appointive, is not representative of

the people. If the school system is to meet the needs of the students, if the school system is to work then the parents of the students whom the school system is to serve must be involved. The people want more information about the operation of the school and about Federal programs and funding. Some people advocate setting aside a certain percentage of the Federal funds which would flow directly to the parent-citizen advisory groups to be used at the discretion of these groups. If parents were involved through legitimately run advisory groups with some discretionary funds "decentralization" of the schools would not be a problem. School officials also advocate greater community participation, although they make a distinction between community participation and community control.

The Federal Role

Many participants agreed the Federal Government should ensure community participation in program development, evaluation, and decision-making. In order to accomplish this, the establishment of parent-citizen advisory groups should be mandatory in all federally funded programs, they said. The Federal Government should monitor this process to ensure not only the development of these parent-citizen advisory groups but to ensure their participation. To provide some latitude to these advisory groups a certain percentage of Federal funds should be set aside for or flow directly to these advisory groups, it was suggested.

Issue V -- Educational effectiveness and student achievement

As the costs of education have risen, the end product -- the quality of education received in the big city schools -- seems to have deteriorated, drop-out rates are increasing and fewer and fewer children are learning to read. Thus while everyone is concerned about the financial crisis, they are equally, if not more concerned, about the failures of the school system. Many of them say in fact, Why put more money into a system which doesn't work.

Forum participants agreed there are at least 3 areas of concern here. Students can be and must be taught to read. Why do they not learn to read? For too long this failure to learn has been placed on the child. More recently the failure has been placed within the home and the environment. It is time to look at the system itself. Where 50 percent of the students need "special" attention, what is needed is not special courses which are added on to that already set up for "regular" students, but innovation and change within the whole system.

It is time also to look at the teacher, they said. Who is responsible when not just a few but large segments of students do not learn to read. Citizens in the community believe it is time the teachers were held accountable for the process of learning rather than for the process of teaching. They believe that there must be a shift from looking at what goes into the system -- the facilities, the degrees, the years of teaching experience--to looking at what comes out of the system; whether

the student can read, do mathematics; whether he drops out or stays in school.

A third concern is that of career education. Too many students, whether they graduate or drop out, are ill-prepared to enter the job market. Many people in the community and school officials believe every child when he departs school should have a marketable skill, coupled with the kind of school preparation which will enable each child to continue onto college, if he desires.

A final concern is with early childhood education and day care-parent education. Those children who are neglected early become those who fail to learn -- those who fall behind and those who drop out. The process of learning and the process of education must start at a much earlier age.

Issue VI -- Inter-governmental relations Local-State-Federal

The big city school officials and people in the community have limited faith that State governments and State educational agencies will be responsive to the needs of urban schools. If there is a shift to full State funding and higher levels of Federal funding the relationship between the State and local agencies and Federal Government as well must be strengthened. The barriers which exist must be broken down and faith restored. City and State officials say State educational agencies should be involved in shaping Federal programs and in determining levels

of funding. State education agencies should strengthen their administrative and technical capabilities in order to do a better job with and for the local education agency. There should be a greater sharing of information and improvement of information systems and data collection and direct working relationships should be developed.

The Federal Role

Participants suggested that the Federal Government should help build a partnership among the 3 levels of government through funding, through the strengthening of the Regional Offices of Education and by providing additional direct technical assistance through the Office of Education.

Issue VII -- The need for altering and expanding present federally funded educational programs

Without existing federally funded education programs the big city schools might not be surviving today. Certainly the educational needs of the socially and economically disadvantaged and the needs of many minority Americans -- the Afro-Americans, the Mexican-Americans and others -- would be less well served if these federally funded programs did not exist, participants agreed.

The concerns of the participants in these forums were not that federally funded programs don't have great value or that they should not be continued but rather with why these programs aren't more effective. They say these programs should be continued but with modifications. There is a need for greater consolidation of programs. However, categorical

programs and categorical funding must be retained. There is a need for refinement and simplification of guidelines and greater overall flexibility. There is a need for more continuity in funding and a need to examine and evaluate not only the results of these programs but the quality of the personnel involved in teaching and administering these programs. Many parents question whether teachers who have failed to be responsive to the needs of disadvantaged students in a "regular" classroom structure can alter their perception and their teaching methods and reach these disadvantaged students in a "special" classroom structure. There is also a need to improve the auditing system and follow-up mechanism for responding to these audits.

These Federal programs should continue to be monitored by the Office of Education but the entire process of Federal monitoring should be strengthened, many participants said. These federally funded programs should be both forward funded and full funded. In fact many of the participants said that if Title I and other programs were funded to the level of their authorization, many of the educational problems of the disadvantaged would be erased. Some say if these programs were full funded, modified, and appropriately monitored by the Federal Government, there would be no need for new Federal programs.

One of the most persistent concerns of these participants is with the "concentration" requirement of Title I. The great failure of Title I

with its "target schools" and "target population" many people say, is that a large majority of eligible disadvantaged students are not reached. The fact that only a portion receive benefits is a function of both the level of funding and the high degree of student mobility. Limited funding necessitates a concentration of effort. Full funding of Title I would change this. It is estimated that full funding would increase four-fold the revenues received for the education of the disadvantaged. With enough money special programs could be developed to meet the needs of the child wherever he is rather than in just a target school. The high level of student mobility mitigates against the concept of concentration. Where students are constantly on the move and some schools have one hundred percent annual turnover concentrating funds on a target school does not benefit those students. Many participants said money should follow the child. (This high level of student mobility in urban areas has implications for methods of teaching as well as for the cost of education in the big cities.)

The concept of concentration seems to be predicated on an assumption that only a small percentage of students are disadvantaged, that special programs will suffice, and in order for significant educational improvement to take place a certain threshold of supplementary assistance must be attained. Where nearly half of the entire student population is disadvantaged the effort must be to bring change within the total system. Many participants say therefore Title I categorical aid should be greatly increased so this threshold of supplementary assistance will be available for all disadvantaged children. Further, they say, there should be innovation across the whole system because the basic need is so great within that whole system.

Many participants conclude that the operation of Federal programs and adherence to Federal guidelines would be greatly improved if the Office of Educational Regional Offies were strengthened so they could take on a more direct role in monitoring, in disseminating information, in providing technical assistance on both the State and local level, and in overall decision-making about program funding.

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SPECIFIC RECOMMENDATIONS

(The following recommendations represent a consensus of forum participant views. They do not necessarily reflect Office of Education policy or Congressional interest.)

I. The Federal Role

The Federal Government should take a strong active role in regard to the urban schools of America.

The Federal Government should take a strong fiscal role increasing dramatically its funding of urban schools.

The Federal Government should take a strong leadership role, setting the direction the Nation must go to fulfill the promise of equal educational opportunity for all America's children. Having set this direction, the Federal Government should take a strong monitoring role to ensure this direction is followed.

The Federal Government should relate solutions to financial problems facing big city schools, and other school systems to educational performance and effectiveness.

II. Funding

The Federal Government should greatly increase its level of funding to the urban schools of America.

A. Federal categorical funding should be continued and both categorical and non-categorical funding should be increased. The Federal Government should provide general funds which will enable the maintenance and improvement of existing programs and enable innovation within schools and across the whole system and categorical funding which will ensure that the special needs of the handicapped, the poor, and the "disadvantaged" will be met.

B. The level of and distribution of funds should be based on an education need index to ensure that urban schools receive their "fair share" of Federal funds. The Federal Government should take the initiative in developing this education need index and in ensuring distribution based on a formula weighted for education need.

C. Federally funded programs, especially Title I should be full funded to their level of authorization. With modifications and continued and improved Federal monitoring no new Federal programs may be necessary.

D. There should be a continued exploration of Federal funding of the nonpublic schools through such methods as tax credits.

E. The Federal Government should determine the feasibility of establishing a specially funded urban school construction program.

Some Proposals for Levels of Funding*

III. Distribution of Funds

New patterns of Federal funding to the big city schools should be developed. These patterns should include:

1. Direct funding to the big city local school district bypassing the State or more finely drawn Federal pass through provisions which will ensure that Federal funds reach the urban school district.

2. Direct funding to decentralized school administrative bodies with a fixed percentage of discretionary funds set aside for these groups.

3. Direct funding to local parent-citizen advisory groups with a fixed percentage of discretionary funds set aside for these advisory groups.

IV. Governance--Local Community Involvement/Control

The development and participation of parent-citizen advisory groups should be required in all federally funded urban education programs.

*See Attachment 1 for Cost Estimates

The Federal Government through the Office of Education, should monitor this process to make sure these advisory groups are established and are involved in program planning, evaluation, implementation and decision-making. A percentage of funds should be set aside for or flow directly to these groups.

V. Educational Effectiveness

Federal categorical and non-categorical funding to the urban schools should be increased, and to enhance educational effectiveness should be provided along the following lines:

1. A fixed percentage of funds should be earmarked specifically to ensure the continuation and development of special programs for the disadvantaged.

2. A fixed percentage of funds should be earmarked to maintain on-going programs and to enable innovations within schools and across the entire system -- innovations such as the development of differentiated staffing, career opportunity programs, community schools, specialized reading courses, and teacher evaluation, re-training and community-based teacher preparation.

   Greater attention should be paid to the level of ethnic minority representation in teaching and administrative positions.

   Well-defined limitation should be placed on the availability of these funds for increases in teacher and other personnel salaries and wage increases.

While assigning fixed percentages of funds to these two categories, the ultimate goal should be three-fold: to ensure the development of

effective methods of educating the disadvantaged, to innovate across the entire school system so it is more effective, and eventually to integrate the innovative special programs for the disadvantaged with the innovative regular programs. In school systems where half or more of the students are "disadvantaged," eventual improvement must come to the entire system if it is to be educationally effective.

Tied to this eventual merger of "special" and "regular" classes must be some system of accountability. Educational effectiveness should be measured in terms of end products -- outputs rather than inputs -- whether students can read, develop marketable skills and so on.

A portion of these funds should be used to develop measures of accountability and continued funding should be related to measured effectiveness.

There should be built-in maintenance of effort requirement so States and local governments don't reduce their level of funding to these urban schools.

There should be built-in school-by-school comparability of services requirement and these urban funds should not be used for this purpose.

3. A fixed percentage of these funds should be earmarked to guarantee community involvement through parent-citizen advisory groups (see IV page 25).

4. A fixed percentage of these funds should be earmarked for State education agencies to aid in strengthening their technical capabilities and to build and strengthen relation between State and urban education agencies and the Federal agencies.

VI. Present Federal Programs

Present Federal programs should be continued. They should be full funded and forward funded.

There should be a consolidation of programs and guidelines and regulations should be simplified. Categorical programs should be retained however.

The system of auditing and Federal, State and local response to these audits should be improved.

The Federal Government should strengthen its monitoring of these programs and should ensure compliance.

The Regional Offices of Education should be strengthened and they should take on a stronger role in relation to State and local education agencies and to local community organizations.

The "concentration" concept and requirement in Title I funding should be re-examined. The concentration factor eliminates many disadvantaged children. Full funding of Title I would enable the development of specialized programs for all the disadvantaged children.

Attachment 1

Some Proposals for Levels of Funding

Several proposals for the level of Federal funding to the urban schools emerged. For illustrative purposes, present levels of Title I funding are used as a comparative base. Chicago, Philadelphia, and Atlanta are used as examples. The total costs of each of the five proposals follow:

SUMMARY

	FEDERAL FUNDING - 60 MAJOR CITIES[1] PER YEAR
Proposal A "Educare"*	2 billion
B Full Fund Title I*	1.2-2.5 billion[2]
C Flat $300 Grant	$600 million - 1.5 billion[2]
D Equal Partnership*	2 billion
E President's Commission	1.3 billion

1/Total estimated costs are based on enrollments in the 60 major urban schools which make up about 1/5 of the total enrollment in the country (approximately 10 million students).

2/Two estimates for the disadvantaged are used.
School officials estimate 50 percent are disadvantaged.
Census Bureau estimate 20 percent are disadvantaged.

* Proposals made by forum participants.

PROPOSAL A

"EDUCARE"[3/]

(AFDC children x per-pupil expenditure ÷ 2)

	Philadelphia	Atlanta	Chicago
Number of disadvantaged	140,000	50,000	290,000
Per-pupil expenditure	$1,247	$ 736	$1,140
Current Title I (millions)	$21	$ 3.0	$30
Total from "Educare"	$87	18.8	159.5

TOTAL ESTIMATED COST PER YEAR FOR 60 MAJOR CITIES $2 BILLION

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PROPOSAL B

FULL FUND TITLE I[4/]

Current Title I	$21	$3	$30
Full funded Title I	84	11	120

TOTAL ESTIMATED COST PER YEAR FOR 60 MAJOR CITIES $1.2 BILLION[4a/] or $2.5 BILLION

* * * * * * * * *

[3/] Proposed by Dr. Redmond, Superintendent Chicago Schools

[4/] Maximum authorization would be about $6 billion. Current funding is approximately $1.5 billion.

[4a/] Based on the 20 percent disadvantaged estimate spread evenly across urban, suburban, rural areas. If the 50 percent urban disadvantaged is used the total becomes 2.5 billion.

PROPOSAL C

FLAT $300 PER DISADVANTAGED CHILD

	Philadelphia	Atlanta	Chicago
Current Title I	$21	$3.0	$30
$300 per disadvantaged child[5A/]	16.8	6.0	34.8
$300 per disadvantaged child[5B/]	42	15	87

TOTAL ESTIMATED COST PER YEAR FOR 60 MAJOR CITIES — $600 million or 1.5 billion

* * * * * * * * * *

PROPOSAL D

"EQUAL PARTNERSHIP" - 1/3-1/3-1/3

Present Total Operating Budget	$420	$120	$742
Federal "Equal" Share	140	40	247

TOTAL ESTIMATED COST PER YEAR FOR 60 MAJOR CITIES — $2 billion

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PROPOSAL E

URBAN EDUCATION ASSISTANCE PROGRAM

President's Commission on School Finance

Flat $100 per ADA urban child plus continued Title I funding

Current Title I	$21	$3.0	$30
Flat $100	28	10	58
Total	$49	$13	$88

Cost urban education assistance program — $1 billion
Cost current Title I — $300 million

[5A/] Based on 20 percent estimated disadvantaged
[5B/] Based on 50 percent estimated disadvantaged

TOTAL ESTIMATED COST PER YEAR FOR 60 MAJOR CITIES — $1.3 billion

Attachment #2

THE CHICAGO FORUM ON SCHOOL FINANCE

April 6-7, 1972

PANELISTS

Mr. Duane Mattheis, Deputy Commissioner for School Systems
US Office of Education, Washington, D. C.

Mr. Robert A. Crummel, Acting Regional Commissioner
US Office of Education, Region V, Chicago

Dr. H. Reed Saunders, Deputy Assistant Commissioner for
Planning and Evaluation, and Director, Task Force on School Finance
US Office of Education, Washington, D. C.

Mr. Robert Wheeler, Associate Commissioner
Bureau of Elementary and Secondary Education
US Office of Education, Washington, D. C.

Mr. Richard Fairley, Director, Division of Compensatory Education
US Office of Education, Washington, D. C.

Dr. Joseph C. Kennedy, Consultant, School Finance Task Force
US Office of Education, Washington, D. C.

PARTICIPANTS - Thursday, April 6

Mr. John D. Carey, President
Chicago Board of Education

Dr. James F. Redmond, General Superintendent
Chicago Board of Education

Dr. Charles R. Thomas, Assistant Superintendent
Office of Superintendent of Public Instruction

Dr. Charles G. Hurst, Jr., President
Malcolm X. College

Honorable Richard Newhouse
Illinois State Senate

Mr. Phillip Ungerer, Temporary Chairman
CAP Education Coalition

Mr. Terry Brunner, Executive Director
Bettern Government Association

Mr. Timuel D.Black, Dean-Director of Transfer Programs
Wright Jr. College

Mrs. Winifred Slusser, Chairman
District 24 Education Council

Mrs. Bruner D. Powell, Education Chairman
The Woodlawn Organization

Dr. J. William Fredrickson, President
North River Commission

Participants - Thursday, April 6 (cont'd)

Mrs. Theresa Rojic

Dr. Wolfgang Epstein, Chairman
Finance Committee, Murray School Council

Mrs. Rosemary Gulley, Executive Director
Independent Voters of Illinois

Mrs. DeWitt Gilpin, Community Coordinator
Triple T-Northwestern University
Member, Model Cities Education Task Force

Mrs. Chico, Vice Chairman
Spanish-Speaking People's Study Commission

Mrs. Dolores Kantor, Education Chairman
Carroll Rosenwald PTA and Local Council

Mr. William McGlone, Director of Development
Civic Federation

Mrs. Mary Cvack, Education Chairman
Auburn Civic Association

Mrs. Patricia McKenna, Education Chairlady
Chicago Association for Children with
Learning Disabilities

Honorable Francis X. Lawlor, Alderman
Chicago City Council

Mrs. Meyer J. Barrash
Citizens' Schools Committee

Mrs. Mirta Ramirez, Director
Association of Spanish-Speaking People of America

Mrs. Loretta Blecka, Chairman
Education Committee of Greater Northwest Side

Mr. James C. Drake, President
Mt. Vernon-Washington Heights Community Organization

Participants - Thursday, April 6 (cont'd)

Mrs. Jack H. Sloan, President
Montefiore-Motley Special Schools PTA

Mr. Juan Morales, Director
Operation Highsight

Mrs. Alleane Williams
District School Council Chairman

Mrs. Dora Foster
Ogden School Parent

Mrs. Elaine Gage
Howland School Parent

Mrs. Mae Strong
Lathrop School Parent

Dr. Margaret Harrigan, Principal
Ogden School

Mrs. Ruby Mabry, Chairman
Chicago Welfare Rights

Mr. Thomas C. Brophy

Participants - Friday, April 7

Mrs. Elton Stigger, Chairman
Headstart Parent Policy Committee

Mrs. Dorothy Bradford, President
District 6 Education Council

Mr. Lorenzo Paredes, Admissions Counselor
Chicago State University

Honorable John J. Hoellen
Alderman

Miss Mary Nelson, Chairman
Christian Action Ministry

Mr. Jack Witkowski (Former Member
Chicago Board of Education)

Mr. Marshall Patner, Director
General Council of Businessmen for
Public Interest

Honorable Leon M. Despres, Alderman
City of Chicago

Honorable William S. Singer
Alderman

Mrs. Arlene Rubin, Chairman
Schools Committee
Hyde Park-Kenwood Community Conference

Rabbi Martin I. Silverman, President
District 2 Education Council

Dr. Oscar E.Shabat, Chancellor
City Colleges of Chicago

Dr. T.E. VanDam, Superintendent
School District 151, South Holland

Mr. Aaron Porter, Chairman
Parent Evaluation Committee
Title I, Area C

Participants - Friday, April 7 (cont'd)

Mr. Thomas N. Todd, Assistant Professor
Northwestern University Law School/PUSH

Mrs. George H. Paige, Vice President
Southeast Community Organization

Mr. Samuel A. Patch, President
District 13 Education Council

Mr. Louis W. James

Mr. Eduardo Cadavid
Teacher

Mrs. Betty Bonow, Member
Bogen-Smith High School District Council

Mrs. St. Germain, Member
Advisory Council
American Indian Community

Mr. Dennis Harper, Coordinator
Native American Committee

Mrs. Patricia L. Wilcoxen, Secretary
Ray School Local Council

Mr. Samuel Broyde, Director
Broyde Institute for Learning

Mr. James G. Moffat, Assistant Superintendent
Department of Government Funded Programs
Chicago Board of Education

Honorable Anna Langford
Alderman

Mr. John Buckley, Coordinator
Federal Government Funded Programs
Archdiocese of Chicago School Board

Mrs. Pauline Pantsios, Schools Committee (Federal Programs)
League of Women Voters of Chicago

Participants - Friday, April 7 (cont'd)

Mrs. Doris Leftakes, Vice President
Chicago Region PTA

Mr. Wilbur Stroud, President
Parent Council, District 20

Mrs. F. H. Lopez, Chairman
District 25 Advisory Council

Mrs. Martha Chavez, Delegate
for Bilingual Program
Joseph E. Gary School

Mrs. Martha R. Bethel, Teacher
Representative
O'Keeffe School

Mrs. Dottie Shaffer
Oscar Meyer Education Council

THE PHILADELPHIA FORUM ON SCHOOL FINANCE

May 4-5, 1972

PANELISTS

Mr. Duane Mattheis, Deputy Commissioner for School Systems
US Office of Education, Washington, D.C.

Dr. Walker F. Agnew, Regional Commissioner
US Office of Education, Region III, Philadelphia

Dr. H. Reed Saunders, Deputy Assistant Commissioner for Planning and Evaluation, and Director, Task Force on School Finance
US Office of Education, Washington, D.C.

Mr. Robert Wheeler, Associate Commissioner
Bureau of Elementary and Secondary Education
US Office of Education, Washington, D.C.

Dr. Joseph C. Kennedy, Consultant, School Finance Task Force
US Office of Education, Washington, D.C.

PARTICIPANTS - Thursday, May 4

Mr. Robert L. Pointdexter, Executive Deputy Superintendent
Philadelphia School District

Mr. Robert Sebastian, Vice President
Philadelphia Board of Education

Dr. Mark R. Shedd, Former Superintendent
Philadelphia School District

Dr. Herman Branson, President
Lincoln University

Hon. Jeannette F. Reibman, Chairman
Education Committee, Senate of Pennsylvania

Miss Celia Pincus, Director
Mayor's Office of Education

Mr. Bernard Rafferty, President
Philadelphia Association of School Administrators

Mrs. Virginia Lee, Community Education Specialist
Albert Einstein Mental Health and
Mental Retardation Center

PARTICIPANTS - Thursday, May 4

Mrs. A. Sherwood Platt, President
Philadelphia Home and School Council

Mr. Donald Porter, Director of Finance
Boy Scouts of America

Mrs. Viola Sanders, Chairman, Education Committee
Philadelphia Welfare Rights Organization

Mr. James F. Bodine, President
First Pennsylvania Bank

Mr. Thatcher Longstreth, Executive Vice President
Philadelphia Chamber of Commerce

Mr. Jon Blum, Chairman
Americans for Democratic Action

Mr. John C. Pittenger, Superintendent
(and David Hornbeck, Administrative Assistant)
Pennsylvania State Department of Education

Mrs. Mary James
Citizens of Tioga and Nicetown, Inc.

Mr. Wilber Taylor, Center Coordinator
The Alice Rouse Donaldson Educational Self-Help Center, Inc.

Mrs. Miriam Gafni, Member of the Board
Citizens Committee on Education in Philadelphia

Mr. Steven Gold
Community Legal Services

Mrs. Alice Walker, Trustee Board
Alice Rouse Donaldson Educational Self-help Center, Inc.

PARTICIPANTS - Friday, May 5

Mrs. Gisha Birkowitz, Chairman
Education Committee
East Mt. Airy Neighbors Association

Mr. Charles T. Askew, President
Banneker Urban Center

Mrs. Janie Freeman
Powelton-Mantua Education Fund Children's School

Monsignor Francis B.Schulte, Superintendent
School Systems of the Archdiocese of Philadelphia

Mrs. Meredith Savery, Chairman
Education Committee of League of Women Voters

Dr. David Porter, Superintendent
Harrisburg City Schools

Mr. William O. Miller, Coordinator, Education Task Force
Philadelphia Urban Coalition, and
Philadelphia Congress on Public Education

Hon. James J. A. Gallagher, Chairman
Education Committee
State House of Representatives

Mr. Paul Urek, Director, Research & Development
Philadelphia Health and Welfare Council

Mr. Spencer Watson, Coordinator
Germantown Area Schools Project

Mr. Wallace Dent, Chairman
ESEA Title I Advisory Council

Mr. David A. Frisby, Director
Philadelphia Urban Education Committee

Mrs. Ruth Bennett, Chairman
Education Committee, American Jewish Committee

Mrs. Dorothy Anderson, President
Kensington Citizens Committee

PARTICIPANTS - Friday, May 5 (cont'd)

Miss Maria G. Giordano, and
Miss Naomi Momant
Students Concerned with Public Health

Mr. John Snyder, State Chairman
Ad Hoc Committee on School Finance

Dr. James Harrison, Superintendent
Wallingford-Swathmore School District

Mrs. Phyllis Gilbert, Co-Chairman
District Educational Alternatives Committee

Miss Susan Bailey, President
Union of Student Government
Philadelphia City Schools

Mrs. Elizabeth Kellam, School Community Coordinator
Barrett Junior High School

Mr. Thomas C. Rosica, Executive Director
Federal Programs, Philadelphia School District

Mrs. Gayle P. Viale, Member
Executive Board
H. C. Lea School

Mr. Herman Wrice, President
Young Great Society

Mrs. Marth L. King
Private Citizen

Mr. Elton Jolly
Private Citizen

Mr. Joseph Boyle
Private Citizen

THE ATLANTA FORUM ON SCHOOL FINANCE

May 31-June 1, 1972

PANELISTS

Mr. Duane Mattheis, Deputy Commissioner
for School Systems
US Office of Education, Washington, D.C.

Dr. C. J. Martin, Regional Commissioner
US Office of Education, Region IV, Atlanta

Dr. H. Reed Saunders, Deputy Assistant Commissioner
for Planning and Evaluation, and
Director, Task Force on School Finance
US Office of Education, Washington, D.C.

Dr. Joseph C. Kennedy, Consultant
School Finance Task Force
US Office of Education, Washington, D.C.

PARTICIPANTS - Wednesday, May 31

Dr. John W. Letson, Superintendent
Atlanta City Schools

Dr. Benjamin E. Mays, President
Board of Education

Mr. Terry Allen, General Executive
Butler Street YMCA

Mrs. C.C. Barnett, Immediate Past President
Atlanta Council of PTA

Mrs. Louise Hughes, ESAP Teacher Coordinator
Morris Brandon

Mr. Johnny C. Johnson, Executive Director
Model Cities

Mr. William W. Allison, Executive Administrator
EOA

Mr. Moses Norman
Title IV, Atlanta Schools

Mrs. LeRoy Woodward, Member
Board of Education

PARTICIPANTS - May 31 (cont'd)

Mr. Otis White
ISC, Title I

Mr. D. F. Glover, Director
Talent Search, Clark College
(Representing Cross-City Citizens Com.)

PARTICIPANTS - Thursday, June 1

Mrs. Alyce Nixon, Chairman
Dropout Committee

Dr. William Pressley, Headmaster
Westminister School

Mr. Lynn Westergaard
Atlanta Urban League

Mrs. Cecil L. Edwards, Principal
Charles L. Gideons Elementary School

Dr. Helen E. Cook
Atlanta Public Schools

Mrs. Kathryn J. Cook, President
Chattohoochee Elementary School PTA

Mrs. Jack Tracy
League of Women Voters

Mr. Larry Gess
Office of the Governor

Mr. Tom Keating
ESA/CG Academy Theatre Project

Rev. Andrew Young, Chairman
Community Relations Commission